Approved For Release 2006/03/15: CIA-RDP78-01617A005800040003-8

ARMY and DIA review(s) completed.

State Department review completed

38

TOP_{CONFIDENTIAL}

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GENERAL

- 1. British official calls new Soviet Straits note "mild"—A British Foreign Office official has informed US Embassy London that the Turks have requested British views on the new Soviet Straits note before replying to Moscow, and the Foreign Office desires to exchange views with the US State Department before responding to the Turks. The official commented that he considered the Soviet note "extraordinarily mild" and its dispatch is in line with the Potsdam agreement.
- 2. British view on situation in Greece—A Foreign Office official has told US Embassy London that the small armed bands in northern Greece undoubtedly are coalescing into larger units and are being supplied with light equipment, chiefly rifles and money, across Greece's northern frontier. The official added that the Greeks had made no request for British assistance, and no British forces had been involved in the fighting.

3.	War Department to send interrogation teams to northern GreeceThe					
	War Department plans to send two teams to question Soviet, Yugoslav,					
	and Bulgarian deserters entering northern Greece					
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- 4. US protests closing of USIS in Yugoslavia -- The State Department has instructed Ambassador Patterson to deliver personally to Tito a note protesting the closing of the USIS reading room in Belgrade. The note states that the US has fully explained the incident which offended the Yugoslav Government, and accordingly is "forced to the conclusion" that the closing involves the "wider issue" of whether Yugoslav authorities wish to deny the Yugoslav people the fundamental democratic freedom of access to information and opinions about other peoples. The US, in the hope that Tito will make a "constructive reply," will not publicize the note "for the time being."
- 5. Acheson urges US economic assistance for Iran-Acting Secretary Acheson has informed Secretary Byrnes that he feels recent events in Iran may lead to "involvement of the UK and USSR in a protracted Iranian civil war." Acheson believes that the best way in which the US can preserve Iranian independence is to strengthen Qavam by full implementation of the US declared policy of economic assistance.

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ARMY and DIA review(s) completed.

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TOP SECRET CONFIDENTIAL

6. Icelandic Althing majority predicted for US base proposals—US Legation Reykjavik reports that the Althing Foreign Affairs Committee has approved the base proposal modifications which the US had previously accepted. The Legation expects the final Althing vote by "early next week."

advised the US negotiators that "a number" of Progressives will vote for the modified proposals, which he expects to pass the Althing by a three-fifths majority.

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- 7. US to open air signal negotiations with Yugoslavia--The V'ar Department has instructed USFET to begin negotiations with Yugoslavia for an interim agreement on air signal procedures. The interim agreement is in no way to interfere with an eventual quadripartite air signals agreement which may later be extended to include all European countries.
- 8. Chinese may propose four-power Japanese reparations conference—US Consul General Shanghai reports that (a) the Chinese Foreign Minister is considering proposing a four-power Japanese reparations conference "since the Soviets give no indication of cooperating with a larger FEC group," and (b) the Chinese are "secretly estimating" their reparations claim at 40% of Japanese internal assets.

EUROPE

9. USSR: Reported unrest in Ukraine--US Military Attache Moscow reports that a man

has told a US

Army officer that there is widespread unrest and deep bitterness in the Ukraine, where the Soviet regime is "systematically destroying" the Ukrainian people by imprisonment, shooting, hanging, exile to Siberia and an artificially created famine which by spring will be worse than that of 1933. Moscow drains the area of food, and even UNRRA supplies are failing to reach the needy. If the Ukrainian people are to be saved, source insists that they must have supplies before spring and world opinion must be aroused against their persecution. Source claims that Ukrainian villagers are looking toward the US for assistance and are ready to do their part in any way possible.

The MA comments that the food situation is serious and the report of unrest is confirmed by other sources.

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TOP COMPONITIAL!

- 10. YUGOSLAVIA: Threat of military aggression -- US Ambassador Patterson believes that the continued hostile and aggressive acts of the Yugoslav Government against the US, including recent insinuations that contact with US nationals is treasonable, "at least suggest" the threat of impending aggressive military action now or later against Trieste or Salonika. Patterson now regards Yugoslavia as more of a threat to peace than Spain or Greece and suggests that consideration be given to bringing the matter before the Security Council.
- 11. AUSTRIA: Proposed Byrnes speech--US Charge Denby reports that Chancellor Figl wishes to invite Secretary Byrnes to speak in Austria but has postponed the invitation because a rejection would make political capital for the Communists. Denby believes that such a speech by the Secretary would strengthen the Figl government and US prestige in Central Europe, and would put the USSR "in an awkward position." Soviet agents threaten Foreign Office clerk--Austrian Foreign

Minister Gruber has told US Charge Denby that Soviet agents have interrogated and intimidated the Foreign Office's head file clerk, who lives in the Soviet zone, in order to obtain information on Foreign Office documents.

FAR EAST

- 12. N.E.L: Indonesian Republic nationalization policy--US Consul General Batavia reports that according to Mohammed Hatta, Indonesian Vice-President, one of the objectives of the Indonesian Republic is the nationalization of industries in the Indies. Premier Sjahrir has denied this and has asserted that the Republic would merely try to retain in Indonesia more industrial profits than heretofore.
- 13. KOREA: Soviet espionage in the US zone--General Hodge reports that, Soviet schools in North Korea are training spies and agitators and 300 graduates of one school have been sent to South Korea.

Possibility of general strike in South Korea -- SCAP reports that indications point to the beginning of a general strike throughout Southern Korea secretly directed by Communists.

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